

Iran May Be Spending Beyond Means

By Jack Anderson
and Les Whitten

American officials at the highest levels are worried that the shah of Iran may be living beyond his means.

His Imperial Majesty envisions himself as the ruler of a modern Persian empire that once again will become a world power. Toward this end, he is spending his bounteous oil revenues to build a military machine without parallel in the Middle East.

According to the latest confidential estimates, however, the shah's oil reserves will last, at best, for another two decades. This will leave the unpredictable, ambitious, recklessly greedy shah with little more than a down payment on this dream of glory.

Rather than abandon his dream, they fear privately, he may march his American-made army into neighboring Saudi Arabia and Kuwait and annex their oil fields.

Signs of the shah's forthcoming financial embarrassment are everywhere. Since the first of the year, he has been forced to cut back oil production by 15 per cent. He also backed out of a deal to invest heavily in Pan American World Airways. He tried to blame this on Pan Am's internal problems, but diplomatic sources say the shah had "other priorities" for his dwindling money.

For all its oil riches, Iran is also deeply in debt. The shah, according to American officials familiar with his finances, owes about \$3 billion in bilateral and multilateral loans.

Even while he is gouging the American people for the oil they buy, he is mighty slow in paying the \$1.1 billion he owes them. He has \$780 million in outstanding debts at the Export-Import Bank alone. Another \$230 million in foreign aid loans has never been paid back.

Even more puzzling is a \$23 million Lend-Lease debt left over from World War II. The shah has refused to pay it, claiming with perplexing Persian logic that the debt is somehow negated by the "wear and tear" the Allies wreaked upon his railroad system during the war.

Iran owes additional millions in agricultural loans, Commodity Credit Corporation loans and interest due on debts. Yet the shah has repaid the American people for their generosity by leading the clamor inside the oil cartel for higher prices.

The threatened price boost in September, government economists have warned privately, will halt America's economic recovery in its tracks. Already, the oil squeeze has caused the United States more damage than any blow since World War II. The shah more than any other single individual was responsible.

Driven by his grandiose dreams and schemes, the shah has issued royal decrees ordering his subjects to work harder and waste less. At the same time, he has boosted his defense spending to a record \$3 billion annually. That's a tremendous 44 per cent increase over last year.

The United States has sold him the bulk of his armaments—\$6 billion worth in the past two years alone. Indeed, the General Accounting Office has warned that the "extensive sale" of military skills to Iran "could adversely affect the readiness status of United States Forces."

What does the shah plan to do with his mushrooming military apparatus? For the record, he talks about being the peaceful protector of the Persian Gulf.

But when the British pulled out of the island of Abu Musa—which was claimed by the sheikdom of Shariyah—the shah didn't bother about negotiations. He simply seized the strategic island and began fortifying it.

He also was able to rush a 1,500-man force to the opposite end of the Persian Gulf to help the sultan of Oman quell a guerrilla rebellion. Now the shah has a huge Hovercraft fleet, purchased from Britain. He can send a battalion of troops across the Persian Gulf and land them in Saudi Arabia or Kuwait within half an hour.

This is precisely what some high officials fear he will do.

Talking Back—We always seek the comments of those we write about. Earlier this month, we identified various Soviet newsmen, including Izvestia's ponderous Washington correspondent Stanislav Kondrashov, as KGB spies. He never returned our calls.

In another column, we reported that Rep. Larry McDonald (D-Ga.), the Clown Prince of the House, had squandered \$40,000 of the taxpayers' money this year to print scurrilous, unproven attacks on assorted victims in the Congressional Record. Two of our reporters tried but failed to coax him off the House floor to comment.

Now both Kondrashov and McDonald have belatedly responded—Kondrashov in Izvestia and McDonald in the Congressional Record. We are happy to summarize their statements.

"Jack Anderson," wrote Kondrashov, "is the leader in the unclever but vehement competition... at discrediting international detente and spoiling the atmosphere of Soviet-U.S. relations." He accused us of being anti-Soviet.

McDonald had a different opinion of us. "It is clear," he declared, "that the real motivating factor behind Anderson's ire is (opposition to those) exposing extremist and Marxist-Leninist aims and tactics." He accused us of being pro-Soviet.

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